

VIGIL MECHANISM POLICY OF STONEX INDIA PRIVATE LIMITED
(Pursuant to Section 177 of the Companies Act, 2013 and
Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014)

A.1) Introduction

Stonex India Private Ltd (hereafter referred to as “the Company” in this document) believes in promoting a fair, transparent, ethical and professional work environment. While the company code of conduct defines the expectations from employees in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting deviations from the standards defined in the code.

The Vigil mechanism (also referred to as “Whistle Blower Policy”) is implemented not only as a safeguard to unethical practices. This mechanism is intended to provide mechanism for reporting genuine concerns or grievance about actual or suspected dishonest or illegal activities or violation of law or rules/regulation of the organization or fraud or corruption taking place in the organization and ensure that deviations from the company’s Code of Conduct and Values are dealt with in a fair and unbiased manner as provided in Section 177 (9) and (10) of the Companies Act, 2013 and the Companies Rules, 2014.

A.2) Objectives:

The objective is to provide a framework to promote responsible and secure Vigil Mechanism, in good faith. The Vigil Mechanism will play a very important role as an internal control measure and will help the Company to identify and take appropriate action against any fraud/suspected fraud/misappropriation/ abuse of position or any other unethical happening.

Section 177 of the Companies Act, 2013 (“the Act”) and Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, inter alia, provides for establishment of mechanism called “Vigil Mechanism” for Directors and Employees to report their genuine concern or grievances, such as instances of unethical behaviour, actual or suspected, fraud or violation of any code of conduct of Director or Employees.

B. DEFINITIONS

Definitions of some of the key terms used in this mechanism policy are given below:

- a) “**Act**” means the Companies Act, 2013.
- b) “**Company**” means Stonex India Private Limited.
- c) “**Employee**” means every employee of the company (whether national or foreigner), including the Directors of the Company.
- d) “**External Investigators**” means the persons authorized, appointed, consulted or approached by the nominated Director or Vigilance Officer.

- e) **“Protected disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence any fraud or unethical or improper activity within the company. This includes any suspected violation of any law that applies to the Company or any suspected violation of the Code or any accounting or financial reporting violations, bribery etc. (**Hereinafter also referred as “Complaint”**).
- f) **“Whistle blower”** means an individual who makes a Protected Disclosure under this mechanism. This could be an Employee, Director, Vendor, Partner and Consultant, including Auditors and Advocates of company.
- g) **“Board of Directors”** is as defined in Companies Act 2013
- h) **“Nominated Director”** means Director appointed or nominated by the Board of Directors to play the role of Audit Committee for the purpose to oversee the Policy to whom other directors and employees may report their concerns in pursuance of Rule 7(3) of the Companies (Meetings of Board and its powers) Rules 2014 and for addressing complaints / protected disclosures made under Vigil Mechanism.
- I) **“Code of Conduct”** means a set of rule outlining the principles and standards that should govern the actions of Directors, Management Personnel’s, Executives and other Employees of the Company and the responsibilities of or proper practices applicable to Directors, Management Personnel’s, Executives and other Employees of the Company.
- j) **“Vigilance Officer”** means an officer appointed or nominated by the Board to receive protected disclosures / complaints from whistle blowers maintaining records thereof, placing the same before the nominated director for its disposal and informing the whistleblower the result thereof.
- k) **“Investigators”** means selected employees or third parties assigned with conducting investigations to ascertain the creditability of such whistleblower complaints.
- l) **“Subject”** means a person against whom or in relation to whom a Protected Disclosure has been made or evidence gathered in course of investigation.
- m) **“Disciplinary committee”** means Committee consisting employees appointed by Nominated Director to take disciplinary or corrective action against the Subject as per the company’s disciplinary procedures.

C. SCOPE OF VIGIL MECHANISM

All employees, directors, vendors, partner and consultants including auditors and advocates who are associated with company can raise concerns regarding malpractices and events which may negatively impact the company.

The Policy is an extension of the Code and covers the genuine concerns against such events which have taken place/ suspected to take place involving but not limited to:

- a) Accounting, Auditing and Internal Financial Matters Disclosure or Perforation of confidential/propriety information;
 - b) Discrimination or Harassment Embezzlement or bribery or Theft.
 - c) Falsification of Contracts, Reports or Records.
 - d) Gifts and Entertainment Improper Supplier or Contractor Activity.
 - e) Violation of Policy.
 - f) Breach of Business Integrity, morality and Ethics;
 - g) Breach of terms and conditions of employment and rules thereof;
 - h) Intentional Financial irregularities, actual or suspected fraudulent practices/malpractices including but not limited to improperly tampering with Company's books and records, or theft of company property;
 - i) Manipulation of company data/records;
 - j) Gross Wastage/misappropriation of Company funds/assets.
 - k) Deliberate violation of laws/regulations;
 - l) Corruption, including bribery;
 - m) Gross or Willful Negligence causing substantial and specific danger to health, safety and environment;
 - n) misuse/abuse of authority,
 - o) Other matters or activity on account of which the interest of the Company is affected.
- C.2** It is pertinent to mention that Protected Disclosures concerning personal grievances, such as professional development issues or Employee Compensation, are not in the scope for purposes of this Policy.
- C.3** This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

D. GUIDING PRINCIPLES OF THE VIGIL MECHANISM

To ensure effective implementation of vigil mechanism, the company shall:

- a) Ensure protection of the whistle blower against victimization for the disclosures made by him/her.
- b) Ensure complete confidentiality of the whistleblower identity and the information provided by Him/her.
- c) Ensure that the protected disclosure is acted upon and no evidence is concealed or destroyed.
- d) Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.
- e) Ensure whistleblower would not get involved in conducting any investigative activities other than as instructed or requested by investigator or by nominated director.
- f) Ensure the subject or other involved persons in relation with the protected disclosure are given a fair and without any presumption of guilt, opportunity to be heard.

- g) Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.
- h) Ensure that suitable action be taken against the person (where identity is disclosed by the whistle blower) making frivolous protected disclosures with an intention to wrongly defame and tarnish the Image of subject as well as to settle his/her personal grudge.

E. REPORTING MECHANISM

The whistleblowers shall report their concerns or complaints or Protected Disclosures in writing (typed/written) and signed by the complainant within 45 days of becoming aware of the same.

To report a complaint, whistleblower needs to send a written complaint duly signed by him/her to the vigilance officer with a copy to the Nominated Director whose names and email ids are given below:

Nominated Director	Mr. Gaurav Aggarwal	Gaurav@stonexindia.net
Vigilance officer	Mr. Jai Prakash Bhojak	Cfo@stonexindia.net

- (a) Complaint shall bear a covering Letter disclosing the identity of the Complainant. Anonymous complaints shall not be entertained.
- (b) The Complaint shall be in sealed envelope super scribed by as “**Protected disclosure under the Vigil Mechanism policy**” or sent through email with the subject “**Protected disclosure under the Vigil Mechanism policy**” and addressed to the Vigilance Officer/nominated Director as the case may be
- (c) If the Complainant believes that there is a conflict of interest between the Vigilance Officer and the Complainant, the Complainant may send the Complaint directly to the Nominated Director. Further if the complaint is against the nominated Director, the protected disclosure shall be addressed to Vigilance Officer.
- (d) The Complainant is expected to have knowledge of the facts on which the Complaint is based and must, therefore, disclose sufficient facts about the existence of improper activity by the subject(s) in the Complaint.
- (e) Complaint shall be made in format provided in **Annexure-A** of this Policy.

© Directors may report their complaints to the Nominated Director.

F. PROTECTION FOR WHISTLEBLOWER

- a) A whistleblower would be given the option to keep his/ her identity anonymous while reporting an incident on Ethics Helpline. The company will make no attempt to discover the identity of an anonymous whistleblower. If the whistleblower's identity becomes known during the course of the investigation, company will ensure that the identity of the whistleblower will be kept anonymous and confidential to the extent possible, unless required by law or in legal proceedings.
- b) A whistleblower reporting issues related to Discrimination or Harassment (e.g. sexual harassment, child labor, discrimination, violation of human rights) would necessarily need to disclose their Identity to enable effective investigation.
- c) Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the whistleblower.
- d) The Nominated Director would safeguard the whistleblower from any adverse action. This includes discrimination, victimization, retaliation, demotion or adoption of any unfair employment practices.
- e) A whistleblower may not be granted protection under this mechanism if he/she is subject of a separate complaint or allegations related to any misconduct.
- f) Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a whistleblower.

G. INVESTIGATION

- 1. The investigation would be carried out to determine the authenticity of the allegations and through fact- finding process.
- 2. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Vigilance Officer or Nominated Director, as the case may be.
- 3. Initial enquires shall be conducted to determine whether investigation is necessary.
- 4. Vigilance Officer, if found the need of further investigations through external Investigators, will investigate/oversee the investigations after the authorization of the Nominated Director.
- 5. The decision to conduct an investigation taken by the nominated Director/Vigilance Officer is by itself not an accusation and is to be treated as a neutral fact-finding process.
- 6. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible, given the legitimate needs of law and the investigation.

7. The investigation would be conducted in a fair manner, as a neutral fact- finding process and without presumption of guilt. A written report of the findings will be made.
8. The investigation team should not consist of any member with possible involvement in the said allegation or from the same Department (as per company definition) from which the subject and aggrieved belongs.
9. During the course of the investigation:
 - Investigation team will be given authority to take decisions related to the investigation.
 - Any required information related to the scope of the allegation would be made available to the investigators.
 - Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
 - Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
 - The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure.
 - The findings of the investigation should be submitted to the Nominated Director.
 - Confirmed cases will be submitted to the Disciplinary Committee by the investigator with –its report and findings along with required supporting documents, for confirmation of disciplinary actions.

H. DECISION AND REPORTING

- H.1** If an investigation leads to a conclusion that an improper or unethical act has been committed, the Vigilance Officer/Nominated Director shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.
- H.2** For the purpose, the Vigilance Officer/Nominated Director along with the report of external Investigators, if referred to external Investigators, shall submit a report to the Board of Directors.
- H.3** Any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

H.4 Subjects have a right to be informed of the outcome of the investigation.

H.5 If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

I. MAINTAINING SECRECY AND CONFIDENTIALITY

The complainant, Vigilance Officer, nominated Director, the Subject and everybody involved in the process shall:

- a. Maintain complete confidentiality and secrecy of the matter.
- b. The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c. The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation
- d. Ensure confidentiality of documents reviewed during the investigation should be maintained.
- e. Ensure secrecy of the whistleblower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained.
- f. Ensure that any papers/documents related to the Policy /matters hereunder shall not be kept unattended at any place at any time
- e. Electronic mail/ files shall be password protected.

J. DISQUALIFICATIONS

- a. In case, the Board concludes that the protected disclosure has been made mala-fide and is a false accusation or is an abuse of policy, then appropriate action including termination against the individual or identity making the disclosure will be taken.
- b. Some disclosures may not result in any investigation or action even though they are made in good faith. In such circumstances, no action would be initiated against the submitter of information.

K. MANAGEMENT DECISION

- a) Disciplinary committee will take disciplinary or corrective action against the Subject as per the Company's disciplinary procedures and can also take legal action, if required.

- b) The decision of Disciplinary committee should be considered as final and no challenge against the decision would be entertained, unless additional information becomes available.
- c) In case of frivolous or false complaints, action may be taken against the complainant.

L. ROLE & RESPONSIBILITIES

L.1 Vigilance Officer

- L.1.1** Vigilance Officer will receive the Protected Disclosures from the employees of the company. All Complaints against the Nominated Director shall also be moved through Vigilance Officer to Board of Directors.
- L.1.2** Vigilance Officer shall be responsible for the Maintenance of Register of Protected Disclosures in **Annexure B** for the complaints in his ambit.
- L.1.3** Vigilance Officer shall determine the nature of Complaint keeping in view the following:
 - accuracy of the information furnished;
 - nature and quality of evidence;
 - existence of relevant laws and rules;
 - history of previous assertions regarding the same subject or subject matter;
 - seriousness or significance of the asserted action; and
- L.1.4** Vigilance Officer shall be objective, thorough and independent of influence in conducting inquiries and/or review of relevant documents associated with Whistleblower Concerns.
- L.1.5** Vigilance Officer shall maintain confidentiality of the Whistleblower and witnesses who provide information, as appropriate.
- L.1.6** Vigilance Officer shall complete the enquiries, investigations, all the formalities and shall resolve the matter within 90 days from the date of filing of the complaint.

L.2 Nominated Director

- L.2.1** Nominated Director will receive the protected disclosures from all the Directors of the company. All Complaints against the Vigilance Officer shall also move through Nominated Director as other Complaints.
- L.2.2** Nominated Director shall have all responsibilities as that of vigilance Officer in respect of handling and disposal of Protected Disclosures.
- L.2.3** Nominated Director shall refer complaints to external Investigators after considering cost and benefit of potential investigation.

L.3 Role of Internal & External investigator

- a) A structured approach should be followed to ascertain the creditability of the charge.
- b) Ensure the confidentiality and secrecy of the issue reported and subject is maintained.
- c) Provide timely update to the nominated director on the progress of the investigation.
- d) Ensure investigation is carried out in an independent and unbiased manner, without any presumption of guilt.
- e) Document the entire approach of the investigation.
- f) Investigation Report including the approach of investigation should be submitted to the nominated director.
- g) Submit investigation report of all confirmed cases to the disciplinary committee.
- h) Investigator(s) are required to conduct a process towards fact finding and analysis. The Investigator(s) shall submit his / their report to the Nominated Director or Vigilance Officer, whoever has referred the protected Disclosure to them.

M. EMPLOYEE NOTIFICATION

- M.1** All employees shall be notified of the existence and contents of this policy through the respective departmental heads and every department head shall submit a certificate duly signed by him to the Vigilance officer that Policy was notified to each employee belonging to his department.
- M.2** In case of new employees, the same will be informed by the HR department.
- M.3** The certificates received from the respective departments of the company regarding the notification of the Policy shall be placed before the Board of Directors and the Board shall take on record of the same.

N. RETENTION OF DOCUMENTS

All Protected Disclosures as received in Annexure A and Register maintained in Annexure B shall be maintained for a minimum period of 5 years.

O. REVIEW

The Policy and the Registers maintained under this policy shall be reviewed periodically as under:

- O.1** The Policy shall be reviewed annually by the Board of Directors in consultation of Vigilance Officer and Nominated Director.

O.2 The registers maintained under Annexure B shall be presented in each Board Meeting of the Company for information of Board about the total number of matters lodged by whistle Blowers, disciplinary action taken over them or set aside as the case may be, since the last Board Meeting.

P. AMENDMENT

The Board of Directors shall have the right to amend or modify this Policy from time to time.

Q. POLICY SHALL BE AVAILABLE AT THE WEB SITE OF THE COMPANY

The “Policy” as adopted by the Board and amended from time to time shall be made available at the web site of the company.

SAMPLE FORMAT FOR PROTECTED DISCLOSURE

Date	:	
Name of the Whistle Blower	:	
Department and Designation	:	
E- mail id of the Whistle Blower	:	
Communication Address	:	
Contact No.:	:	
Subject matter which is reported	:	
(Name of the person/ event focused at)	:	
Brief about the concern	:	
Evidence (enclose, if any)	:	

(.....)

Signature

Annexure B: Register of protected Disclosure and Outcome Thereof

UNIQUE IDENTIFICATION NUMBER of Complaint	
Date of receipt of Complaint	
Brief facts;	
Whether the same Protected Disclosure was raised previously by anyone,	
if Yes, the outcome thereof;	
Whether the same Protected Disclosure was raised previously on the same subject	
Details of actions taken by Vigilance Officer / Nominated Director for processing the complaint	
Matter referred to External Investigators or not	
Findings and Gist of the Report by External Investigators, if Referred	
Final Recommendations to Board/disposed Off	
Decision by the Board	
Date of Decision	